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The Director of Central Intelligence
Washington, D.C. 20505

NIC 00511-85/1
31 January 1985

National Intelligence Council

MEMORANDUM FOR: See Distribution

FROM:

Assistant National Intelligence Officer for NESA

SUBJECT: Warning and Forecast Report for Near East and South Asia

1. Attached is my report to the DCI based on our meeting held 24 January 1985. If there are any significant amendments or additions you wish to make, please let me know.

2. Next month's warning meeting will be held on 21 February 1985 at 1015 in room 7E62, CIA Headquarters. Please have your clearances passed and call [redacted] with names of the attendees by noon 20 February 1985.

3. I also encourage you to phone in suggestions for the agenda and proposals to make opening presentations. It would be helpful to have your comments for the next meeting by Monday, 11 February 1985.

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The Director of Central Intelligence
Washington, D.C. 20505

National Intelligence Council

NIC 00511-85
31 January 1985

MEMORANDUM FOR: Director of Central Intelligence
Deputy Director of Central Intelligence

VIA: National Intelligence Officer for Warning

FROM: [REDACTED]
Assistant National Intelligence Officer for NESAs

25X1

SUBJECT: Warning and Forecast Report for Near East and South Asia

1. Iran

War Update: On land, the Iranian military buildup and troop movements continue. In the Persian Gulf, the Iraqis are hitting mostly smaller ships rather than oil tankers. It is not clear why the Iraqis are unable to hit more tankers, but it may be because the Iranians have become more effective with the use of decoy barges. The Iranians in turn are not retaliating for Iraqi shipping attacks as they did in the past. Tehran's restraint may reflect its dwindling number of aircraft, or Iranian leaders may have concluded that their retaliatory attacks hurt their economy more than Iraq's by making the Gulf unsafe for all shipping.

There was general agreement at the meeting that Iranian leaders other than Khomeini probably have given up on massive ground attacks as a viable military option against Iraq, but that the preparations for a major offensive continue to satisfy Khomeini's demands. We do not believe there will be a major Iranian ground offensive, but the Iranians are not adverse to keeping military pressure on Iraq by exploiting weak spots in their lines with small scale attacks.

Internal Developments and Prospects for More External Terrorism: Political maneuvering for the succession to Khomeini continues and in some respects we are already in a post-Khomeini era. The leadership structure in Tehran appears paralyzed--and therefore unstable--because Khomeini is able to exert his leadership only occasionally. Iranian leaders appear to avoid going to Khomeini in many cases, and heir-apparent Montazeri is espousing a more moderate line in

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his public speeches. It is not clear how much power the radical factions have within Tehran. There is some good reporting that more conservative elements are replacing the radicals.

There was general concern expressed that the radicals may feel the need to act--perhaps through external terrorist incidents--to solidify their political position in Tehran. The issue of a possible trial of the five US captives in Lebanon was discussed. The Iranians appear to be very concerned about US warnings--specifically those contained in the Secretary of State's speech in New York last December--that it will retaliate against terrorists. The Hizballah in Lebanon may want to put the US captives on trial because of their own efforts to radicalize the Shia in Lebanon and to discredit the leadership of Nabih Barri. It is not clear how much control radical elements in Tehran have over external groups such as the Hizballah in Lebanon. The Iranian Revolutionary Guard tries to set guidelines for radical Shia groups in Lebanon, but they are not always followed. Lebanese radical Shias have done things against the wishes of the Iranian Foreign Ministry, and could, in the case of the US captives, act against Tehran's wishes.

Warning Notes

Further terrorism against US personnel, interests, or facilities is likely in connection with Khomeini's failing health. The risk of terrorism--outside Iran but designed to influence internal politics in Tehran--will rise as the succession crisis comes to a head. Terrorist acts could occur before Khomeini's death to influence the succession, or after to force the hand of his successors.

Iranian Aircraft Threat to the US Navy: The issue here is whether occasional Iranian aircraft flights--particularly by C-130s--in the vicinity of US Navy ships in the Gulf represents a threat to the US ships, and--in light of the previous discussion--whether Iranian aircraft such as C-130s might be used in terrorist attacks against the ships. There appeared to be general agreement among the military representatives that the Iranian flights do not represent a significant threat.

On the specific issue of Iranian C-130s, there is no general agreement in the community on whether the Revolutionary Guards--who would be the most likely to carry out terrorist attacks against US targets--are being trained on the C-130s, and there is also some question about the degree of control Tehran can exert on Revolutionary Guard units in the southern part of the country. [REDACTED] prefers "deniability" when it attacks foreign targets and that he therefore doubted the Revolutionary Guard would use C-130s to attack US Navy ships because such an attack would be too attributable directly to

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An Air Force representative commented that Iraqi aircraft firing Exocet missiles--not Iranian aircraft--were the greater threat to the US Navy ships in the Gulf. The Iraqis, he said, are launching their missiles at maximum range and are not nearly as discriminating in their target selection as the Iranians have been. In particular Iraqi missile attacks at night risk an incident with US ships. For example, the Iraqis recently hit an Iranian tug only six miles from a US Navy vessel.

2. The Shia in Lebanon

Iran has seen the politicization of the Shia community in Lebanon as a base for influencing events in the Levant. The mechanism for the coordination of Iranian activities is the Council of Lebanon. The radical fundamentalists Iran supports must struggle for supremacy within the Shia community with both secular leaders such as Amal organization head Nabih Barri and traditional politicians such as Hussein Husseini.

The rivalry within the Lebanese Shia community between Iranian-sponsored fundamentalists and the more moderate Nabih Barri will come to a head soon, in the elections for control of the Amal party. The results of this election will have an impact beyond Lebanon's Shia community. The radicals seek to translate the Shia population plurality in Lebanon into political and military power, and, while Lebanon's Christians, Druze and moderate Muslims fight each other, all would oppose fundamentalist attempts to overthrow the existing political system and make Lebanon an Islamic state.

Syria is the party most threatened by Iranian-sponsored fundamentalism in Lebanon. Syria is apparently satisfied that its present arrangements with Iran limits Tehran's influence in Lebanon. Syria apparently believes that its influence and power in Lebanon is beyond challenge no matter what Iran does, and thus Damascus is willing to accommodate Iranian subversion in Lebanon in order to maintain the alliance with Iran that serves Syrian purposes elsewhere. As the Israelis withdraw from south Lebanon, Iran and its radical Shia allies may attempt to install a rudimentary military infrastructure capable of threatening northern Israel with guerrilla infiltration and/or Katyusha rocket attacks. Israel, in turn, will attempt to preempt both politically and militarily any Iranian-sponsored radical Shia moves in south Lebanon.

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Warning Notes

After INR's presentation, the discussion turned to Islamic Jihad's threat to put its US captives on trial. The NIO commented that a key warning question is the degree of Iranian and Syrian support for Shia terrorism in Lebanon. The Syrians have to know in general terms where the US captives are being held and would have to decide whether to act to stop a trial. The NIO continued that it was his view that it was not certain that Syria would stop a trial. [REDACTED] however, stated that he thought that Damascus would not allow a trial because revolutionary radical Shias--not Damascus--would control it, and the radical Shias' goals on the future of Lebanon sharply conflict with Syria's. There was general agreement that another key question was how moderate Shias in Lebanon would react if the US retaliated for such a trial by attacking radical Shia targets. The consensus of the community representatives was that this would strengthen the radicals and weaken the moderates.

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3. King Fahd's Visit to the US

King Fahd 's 11-13 February visit will be his first to the US as King. He has turned down previous invitations since 1977 because he believed that the political costs at home and regionally outweighed whatever benefits might accrue from the visit. Fahd's willingness to come now indicates that he has concluded that the US image regionally has improved enough in the past year to outweigh the liabilities of closer identification with the US.

There are several elements in Fahd's thinking:

- US supplied weaponry has deterred Iranian aggressiveness in the Gulf and proven the value of Saudi Arabia's close military ties to the US;
- Iraq's willingness to restore diplomatic ties with the US strengthens the moderate Arab camp and makes identification with Washington more acceptable to leaders like Fahd; and
- US efforts to staunch the flow of Western arms to Iran are perceived as lessening Iran's ability to pursue its war with Iraq--a major strategic worry for the Saudis.

Fahd has several goals for his visit: to improve prospects for Congressional approval of sale of advanced US weapons, particularly more F-15s; to encourage the Administration to revitalize the Middle East peace process; and to establish a personal relationship with the President.

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There was brief discussion of whether Fahd himself, or Arab public opinion in general, expected the US to announce new Middle East peace moves in conjunction with his visit. The general consensus seemed to be that there was no such expectation.

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MEMORANDUM FOR: Director of Central Intelligence
Deputy Director of Central Intelligence

SUBJECT: Warning Meeting Report for Near East and South Asia

NIC/NIO/NESA

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The Director of Central Intelligence
Washington, D.C. 20505

NIC 01596-85/1
25 March 1985

National Intelligence Council

MEMORANDUM FOR: See Distribution

FROM: [REDACTED]

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Assistant National Intelligence Officer for NESA

SUBJECT: Warning and Forecast Report for Near East and South Asia

1. Attached is my report to the DCI based on our meeting held 21 March 1985. If there are any significant amendments or additions you wish to make, please let me know.

2. Next month's warning meeting will be held on 18 April 1985 at 1015 in room 7E62, CIA Headquarters. Please have your clearances passed and call [REDACTED] with names of the attendees by noon 17 April 1985.

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3. I also encourage you to phone in suggestions for the agenda and proposals to make opening presentations. It would be helpful to have your comments for the next meeting by Monday, 8 April 1985.

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The Director of Central Intelligence
Washington, D.C. 20505

NIC 01596-85
25 March 1985

National Intelligence Council

MEMORANDUM FOR: Director of Central Intelligence
Deputy Director of Central Intelligence

VIA: National Intelligence Officer for Warning

FROM: [REDACTED]
Assistant National Intelligence Officer for NESA

SUBJECT: Warning and Forecast Report for Near East and South Asia

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The NIO/NESA warning meeting discussed two topics: developments in Lebanon (with DIA taking the lead) and the Iran-Iraq war (with NESA leading the discussion).

1. Lebanon: In the south, the important long-term development has been the evolution of Shia attitudes from passive acceptance of third class citizenship to a more assertive pride born of anger and frustration. The mainline Amal organization has been the chief beneficiary--and the Israelis the chief target--of this new Shia assertiveness in the south. The Iranian-inspired Hizballah movement is exploiting Shia frustration to try to spread its radical fundamentalist message. Finally, the Lebanese Government, after ignoring the south since 1969, may finally be willing to commit financial and military resources to the region's development and security.

Israel's Iron Fist Policy is a classic counterinsurgency tactic of attacking first to avoid casualties. The tactic may not have a long-term impact on the broader Shia community in the south if the Israelis are selective enough to only target Shia guerrillas/terrorists. However, if the Israelis are indiscriminate in their retaliatory attacks and killings--as they appear to be at least some of the time--they risk leaving a legacy of bitterness among southern Shias that could feed a longer-term terrorist threat against Israel after its troops withdraw in the coming months.

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The question was raised of whether the PLO might be able to reestablish a significant military presence in the south. [REDACTED] he thought this unlikely because the Shias would not welcome the Palestinians back and the Syrians--who could prevent their reinfiltration in significant numbers--want to keep the situation in the south from getting out of control.

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The revolt by Lebanese Forces leader Ja'Ja' reflects frustration in the Christian community with the Phalange Party and Amin Gemayel's leadership of the Government, but also signals continuing Christian unwillingness to make any of the political concessions necessary to meet minimal Shia demands for a greater stake in Lebanon's political and economic life. Without Christian concessions, the appeal of radical Islamic groups like Hizballah is likely to grow.

2. Iran-Iraq War: Developments. On the battlefield, Iran has suffered major losses--perhaps 30-40,000 casualties--in its latest offensive in the marshes. Iraq may have allowed the Iranian attack to proceed in order to draw the Iranians into a killing zone and inflict maximum losses. Iran is believed to have about 6 Scud surface-to-surface missiles--probably obtained from Libya last fall--and may have fired 4 or 5 of them in this offensive. The status of a new Iranian effort to obtain more Scuds from Libya is unknown.

Inside Iran, what remains of the Iranian upper class, along with many foreigners, is trying to flee the country. Iraq's threat to shoot down civilian airliners inside Iran may have contributed to a sense of panic among those wanting to leave. The departure of foreigners working on important economic projects--including Soviet technicians who help run a major power plant in the oil-producing region around Ahvaz--could have a major impact on the Iranian economy.

Since the offensive Ayatollah Khomeini has given an ambiguous speech that might be interpreted as laying the groundwork for giving up on the war effort, or, alternatively, as signalling that the war against Iraq must be pursued regardless of the latest setback.

There was considerable discussion and divergent views within the community about how Iran might interpret the results of the latest offensive. The NESA representative suggested that the Revolutionary Guard units--which had borne the brunt of the fighting--may see the defeat as a final blow and begin to agree with the regular army leaders who argue that larger-scale attacks are suicidal.

[REDACTED] argued instead that the Revolutionary Guards may see the limited results achieved as a sign that such attacks do work and would have resulted in major gains if the regular army had supported the Guard. [REDACTED]

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[REDACTED] argued that the significance of the offensive lay in the

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fact that the Iranians had advanced their lines and--despite the horrendous losses--still hold the marsh. Last year they took the Majnoon Islands, again with heavy losses. Analysts argued then that the island campaign gained Iran little, yet the Iraqis could not drive them out and the Iranians used the islands to support their recent marsh offensive. Further, Iran's pontoon bridges and causeways through the marsh used in this recent offensive are still largely intact. If the Iranians attack again and could establish a bridgehead on Iraqi territory, dig in, and then bring up heavy artillery and tanks, the Iraqis could have a very hard time dislodging them. The Iraqis would have to mount infantry assaults and risk heavy casualties. Throughout the war, the Iraqis have had a very hard time dislodging the Iranians once they have dug in.

There was general agreement in the community that, if they wanted to, the Iranians might be able to regroup and be ready to attack again in as little as a few weeks. The community agreed, however, that Iranian plans and intentions after this latest offensive are unknown.

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25 March 1985

MEMORANDUM FOR: Director of Central Intelligence
Deputy Director of Central Intelligence

SUBJECT: Warning Meeting Report for Near East and South Asia

NIC/NIO/NESA:GEFuller:jcn

25 Mar. 85

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The Director of Central Intelligence
Washington, D.C. 20505

National Intelligence Council

NIC 02043-85/1
19 April 1985

MEMORANDUM FOR: See Distribution

FROM: [redacted]

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Assistant National Intelligence Officer for NESA

SUBJECT: Warning and Forecast Report for Near East and South Asia

1. Attached is my report to the DCI based on our meeting held 18 April 1985. If there are any significant amendments or additions you wish to make, please let me know.

2. Next month's warning meeting will be held on 23 May 1985 at 1015 in room 7E62, CIA Headquarters. Please have your clearances passed and call [redacted] with names of the attendees by noon 22 May 1985.

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3. I also encourage you to phone in suggestions for the agenda and proposals to make opening presentations. It would be helpful to have your comments for the next meeting by Monday, 13 May 1985.

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Attachment [redacted]

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The Director of Central Intelligence
Washington, D.C. 20505

NIC 02043-85
19 April 1985

National Intelligence Council

MEMORANDUM FOR: Director of Central Intelligence
Deputy Director of Central Intelligence

VIA: National Intelligence Officer for Warning

FROM: []
Assistant National Intelligence Officer for NESA

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SUBJECT: Warning and Forecast Report for Near East and South Asia

The NIO/NESA warning meeting discussed two topics: Libya (INR presentation) and Iran-Iraq War Developments (DIA presenting).

1. Libya: INR argued persuasively that it is perhaps time to reevaluate the long-held premise that Qadhafi is the absolute authority behind Libyan foreign policy. Qadhafi is in charge, but is playing a potentially dangerous game by seeking to play off the Libyan bureaucratic establishment against radical elements associated with the revolutionary committee system--as well as to balance old military comrades whom he has disadvantaged against younger radicals whose taste for power he has whetted. Like Mao, he may have trouble putting the genie back into the bottle. The accelerated rise to power of a group of young radicals associated with the revolutionary committee system could eventually threaten Qadhafi's authority--particularly if they should ally themselves with some elements of the increasingly dissatisfied military.

The radicals have no ideology beyond Qadhafi's Green Book--which would be discredited if he were overthrown. Their only motivation seems to be personal power--not a political party or a religious ideal and perhaps not even nationalism. Once in authority, their tendency to engage in extremism could lack even the constraint of Qadhafi's periodic desire to maintain a public facade of respectability. Furthermore, lack of roots in the Arab nationalist tradition which undergirds Qadhafi, and possibly a more flexible attitude toward the Soviet Union where some of them have been trained, could combine with inexperience to make them considerably more vulnerable than Qadhafi is to Soviet influence.

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There was general agreement that we would have little to no warning about a coup against Qadhafi. Indications of increased dissent--sabotage, bombings--are likely to be obvious. Nor is it clear what kind of government would follow Qadhafi; a power struggle between the regular army and the revolutionary committees--accompanied by a bloodbath--is a good possibility. The community consensus was that, on balance, an ultimate successor regime in Tripoli is likely to be less threatening to US interests than Qadhafi's.

2. Iran-Iraq War Developments. Only a month after losing perhaps 20,000 killed in a major offensive, Iran is poised again--only in far greater strength--for another attack across the marshes north of Basra. The community believes Iraqi forces ultimately will defeat the Iranians, but a number of factors are worrisome.

As OIA reported in last month's warning meeting, Iranian pontoon bridges and causeways built across the marshes for the last offensive are still intact and close to Iraqi lines. The Iranians appear willing to commit armor to this coming attack--a crucial deficiency a month ago. Iran also appears to have a limited CW capability and presumably will use it--as well as its Scuds--as part of the new offensive. The Iraqis are slow to react to Iranian attacks. If Iranian forces should breakthrough to firm ground, cut the Baghdad-Basra road, bring tanks and artillery across the marshes and dig in, the Iraqis are likely to have a very hard time dislodging them.

If the Iranians achieved a breakthrough in a worst case scenario, Basra--Iraq's second largest city and only 35 kilometers from the Kuwaiti border--would be threatened. If Basra fell, Iran could set up an Islamic provisional government and appeal to Iraqi Shias--who form a substantial majority of the population of southern Iraq--to turn on the regime in Baghdad. In such a worst case scenario, the continued rule of Iraqi President Saddam Husayn could be severely threatened. It would be hard to overstate the alarm such developments would cause in Kuwait, Saudi Arabia, and the other GCC states.

Alternatively, if Iraqi forces hold and this "final offensive" should also result in disastrous losses for Iran, Iranian internal--especially economic--problems could come to the fore and force the Khomeini regime to rethink its war policies.

Two questions about Iranian and Iraqi policies continue to puzzle the community. Solid evidence suggests Iran has the capability to conduct terrorist operations against the GCC states, but apparently has limited its use to this capability. We do not know why. It is also not clear why the Iraqis do not increase the intensity of their attacks on Iran to try to finally end the war. Suggestions include a possible hope that slow, steady attacks will demoralize the population and turn it

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against Khomeini's war policies, or that too savage attacks--for instance a full scale assault on Kharg Island--might rule out any hope of future reconciliation with a post-Khomeini regime.

None of these suggestions is very persuasive, however. One is left with the impression that Baghdad has no idea of how to end the war, and is blindly trying different strategies, albeit often half-heartedly. Another major Iraqi handicap is that the military is so afraid--justifiably--of retribution from Saddam Husayn for making mistakes that commanders are reluctant to take any initiative--forfeiting much of their advantage in superior firepower and aircraft.

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19 April 1985

MEMORANDUM FOR: Director of Central Intelligence
Deputy Director of Central Intelligence

SUBJECT: Warning Meeting Report for Near East and South Asia

NIC/NIO/NESA [REDACTED]

19 Apr. 85 [REDACTED]

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The Director of Central Intelligence
Washington, D.C. 20505

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National Intelligence Council

NIC 03653/1-85
23 July 1985

MEMORANDUM FOR: See Distribution

FROM:

Assistant National Intelligence Officer for NESa

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SUBJECT: Warning and Forecast Report for Near East and South Asia

1. Attached is my report to the DCI based on our meeting held 18 July 1985. If there are any significant amendments or additions you wish to make, please let me know.

2. Next month's warning meeting will be held on 22 August 1985 at 1015 in room 7E62, CIA Headquarters. Please have your clearances passed and call [redacted] with names of the attendees by noon 21 August 1985.

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3. I also encourage you to phone in suggestions for the agenda and proposals to make opening presentations. It would be helpful to have your comments for the next meeting by Monday, 12 August 1985.

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The Director of Central Intelligence
Washington, D.C. 20505

National Intelligence Council

NIC 03653-85
23 July 1985

MEMORANDUM FOR: Director of Central Intelligence
Deputy Director of Central Intelligence

-VIA: National Intelligence Officer for Warning

FROM: [REDACTED]
Assistant National Intelligence Officer for NESA

SUBJECT: Warning and Forecast Report for Near East and South Asia

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The July warning meeting discussed ramifications of the TWA hijacking incident for Lebanese Shia politics, Syria, Iran, and the United States.

1. Lebanese Shia Politics. The June "camp war" which pitted Nabih Barri's Amal against the PLO may have been more of a watershed for Lebanon's Shia than the TWA hijacking incident. Barri emerged from the camp war as a major power broker, and, ironically, the TWA incident allowed him to deflect the widespread criticism of Amal's savage attacks in the "camp war" that killed many Palestinian civilians.

Warning Notes

The TWA incident--as traumatic as it was for Americans--was only the latest chapter in the ongoing Amal-Hizballah struggle for leadership of the Shia community in Lebanon. Hizballah saw Barri steal their show in the TWA incident, and is likely to redouble its efforts to recapture the initiative from Barri. Hizballah is likely to engage in further terrorism to further its goals in Lebanon--and targeting Americans as a means to drive the US and Western presence out of Lebanon is a major, ongoing goal of the Hizballah.

Ironically, Hizballah may have concluded from the TWA incident that Beirut Airport is not a suitable venue for further incidents. In planning further terrorist incidents, Hizballah goals will probably include:

- Preventing Amal from seizing control of the situation, as it did with TWA 847.

[REDACTED]

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[REDACTED]

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- Prevent Syria from asserting control.
- Avoid directly engaging Iranian interests so as to avoid a Hizballah-Iranian split, or a Syrian-Iranian clash of interests.

In pursuit of these goals, Hizballah may revert to quick, dramatic, high visibility acts such as car bombings in Lebanon, or choose to act outside Lebanon.

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2. Syria. A CIA representative stated that President Assad became involved in solving the hijacking because he:

- Wants stability in Lebanon and the incident threatened Syrian goals.
- Did not want the US to become militarily involved--which would be destabilizing.
- Did not want an ally, Nabih Barri--who was walking a very fine line--to go under.
- Wanted to win points with the US Administration by pulling our chestnuts out of the fire and to show that Syria is the indispensable arbiter of power in the region.

A major fallout of the incident has been Syrian disappointment with the US lack of gratitude.

There was disagreement within the Community, however, over whether--regardless of his reported disappointment--Assad will pursue efforts to free the other seven US hostages. An INR representative argued that Assad is not willing to go the extra mile by taking on Hizballah for the other seven because he still hopes to use Hizballah to serve Syrian interests against Israel, Jordan, and perhaps Egypt. Hizballah has resisted previous Syrian efforts to expand its operations against Arab targets outside Lebanon. If Damascus turned up the heat against Hizballah in Lebanon, however, the organization could decide to do Syrian bidding against targets in Jordan or elsewhere in order to relieve the pressure, flex its muscles, internationalize its operations, and maintain its room for maneuver in Lebanon.

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3. Iran: Several factors may have played a role in Tehran's behavior during the incident. Syria applied compelling pressure on Iran to resolve the incident. There is some evidence that Iran increasingly sees airline hijackings as counterproductive. Finally, Consultative Assembly Speaker Rafsanjani was personally embarrassed by the timing of the incident--which occurred just as he and others in Tehran were trying to improve relations with the West and to project a more moderate image abroad.

Warning Note

The Intelligence Community agreed that the TWA incident has increased perceptions in the region that the US is a paper tiger, whose tough talk on terrorism is not backed up by action. US policy of trying to isolate Beirut Airport through purely diplomatic means has contributed to that perception; the policy has failed to isolate the airport, but has provoked disagreement among America's allies in Europe, and opposition to the policy has provided one of the rare issues on which virtually all Lebanese factions can agree.

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23 July 1985

MEMORANDUM FOR: Director of Central Intelligence
Deputy Director of Central Intelligence

SUBJECT: Warning Meeting Report for Near East and South Asia

NIC/NIO/NESA:

23 July 85

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1 - NSC/ME

1 - Cmdr. James Stark, NSC

1 - Maj. Jack Mathis,

US Central Command

1 - Doug Menarchik, Office of VP

1 - [redacted] DIC

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1 - DIA/AT-3

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The following components attended the NIO/NESA July Warning Meeting:

External

State/INR/NESA
DIA/DE-4
AF/INEGL
Army ACSI
JCS/J-5/MEAF
NSA/G9
NSA/G-609
NSC
ONI
Army ITAC/AIAIT-AF
Army ITAC/AIAIT-SRD
AF/INER

Internal

DDI/CRES
NIC/W
OCR
DI/NESA
FBIS/NEAD/SA
FBIS/AG
NPIC/PEG
NPIC/IEB
NPIC/IEG
OCR/AN
OGI/GD
SOVA/TWA
A/NIO/CT

OSWR/PPC

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SECRET

SECRET [redacted]
The Director of Central Intelligence
Washington, D.C. 20505

25X1

National Intelligence Council

NIC 04694/1-85
20 September 1985

MEMORANDUM FOR: See Distribution

FROM:

[redacted]
Assistant National Intelligence Officer for NESA

25X1

SUBJECT: Warning and Forecast Report for Near East and South Asia

1. Attached is my report to the DCI based on our meeting held 19 September 1985. If there are any significant amendments or additions you wish to make, please let me know.

2. Next month's warning meeting will be held on 24 October 1985 at 1015 in room 7E62, CIA Headquarters. Please have your clearances passed and call [redacted] with names of the attendees by noon 23 October 1985.

25X1

3. I also encourage you to phone in suggestions for the agenda and proposals to make opening presentations. It would be helpful to have your comments for the next meeting by Monday, 14 October 1985.

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Attachment

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SECRET [REDACTED]
The Director of Central Intelligence
Washington, D.C. 20505

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National Intelligence Council

NIC 04694-85
20 September 1985

MEMORANDUM FOR: Director of Central Intelligence
Deputy Director of Central Intelligence

VIA: National Intelligence Officer for Warning

FROM: [REDACTED]
Assistant National Intelligence Officer for NESA

25X1

SUBJECT: Warning and Forecast Report for Near East and South Asia

The September warning meeting discussed Palestinian politics (presented by CIA) and internal developments in Iran-Iraq (presented by INR).

1. Palestinian Politics. Arafat is pursuing a two-track policy trying to keep his military and diplomatic options alive. He will try to maintain a dialogue with King Hussein, in part to enable him to build up the PLO presence in Jordan. Arafat is likely to continue to permit attacks against Israel to ensure that his revolutionary credentials not slip. He is unlikely to formally abandon the military option until the peace process is much farther along--when he might consider ordering a stand-down. The PLO is unlikely to be able to rebuild a major presence in Jordan so long as King Hussein is alive. Support for the PLO and Arafat remains strong on the West Bank and in the Palestinian diaspora.

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[REDACTED] that he doubted the differences between Arafat and some of his lieutenants like Abu Jihad were as deep as sometimes thought in the Intelligence Community. He argued that the PLO is a truly democratic organization and that there will always be differences among its leadership, but that he doubted that Arafat's fundamental policies were basically opposed.

Warning Notes

Prospects are high in the near term for more violence and terrorism on the West Bank and in Israel. A terrorist spectacular in Israel would force Tel Aviv to respond against the PLO presence in

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[REDACTED] SECRET [REDACTED]

SECRET, [REDACTED]

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Jordan and perhaps against Jordan itself--very likely ending the peace process. Increasing Palestinian violence on the West Bank--probably independent of any PLO hand--is a dangerous wild card in current Palestinian politics. If unchecked it will aggravate tendencies toward terrorism by both the PLO and Israel. The failure to hold "Camp Murphy", much less the collapse of the peace process, will lead to increased violence.

- Grass roots violence on the West Bank will in any case grow due to increasing frustration by young Palestinians who have grown up under Israeli occupation.
- The PLO will increase guerrilla attacks from Jordan, Lebanon, and perhaps the Mediterranean to try to reassert its dominance over the Palestinian movement.

Similarly, rapid progress in the peace process will also spark violence--by Syria as well as other radical elements--a prospect explored at length in a current SNIE on Syrian options to oppose the peace process.

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2. Iran. In a discussion of developments in Iran since a Memorandum to Holders (Iran: Prospects for Near Term Instability) was written four months ago, INR concludes that the regime has proven resilient. There have been no more major war reverses; it survived Iraq's bombing of the cities and Kharg Island; demonstrations protesting economic conditions appear to have ceased; and, although the economy is still bad, oil revenues have been sufficient for Tehran to muddle along.

The regime has made changes in reaction to the setbacks described by the Intelligence Community in the Memorandum to Holders.

- It changed its war strategy from one of massive human wave offensives to more effective hit and run attacks.
- Iraq's bombing of the cities forced Tehran to try to improve its air defense capabilities, which in turn has lead to improved Iranian-Libyan ties as Tripoli has provided SCUD and SA-2 missiles.
- Khomeini, despite his age, remains involved in decisionmaking, for example, intervening decisively in the current elections.

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In sum, there is discontent and the economy is in poor shape, but the Iranian people continue to tolerate suffering, and prospects for the regime are not as immediately bleak as they appeared several months ago.

Iraq. On the other hand, Iraq, which should have all of the military advantages in the war, is not out of the woods yet either. The Intelligence Community remains concerned about the brittleness of Iraqi military and civilian morale. We cannot predict an exact scenario under which Iraq would suffer a major military defeat, but there was general agreement that, if Iran could somehow inflict such defeat, the Iraqi army could collapse very quickly. An analogy was made that Iraq today is like earthen dam holding back a large body of water: so long as it holds all is well, but if it begins to break it will collapse very quickly.

Iraq's economy is still on a tightrope. The new pipeline to Saudi Arabia will marginally improve Baghdad's financial situation, but the willingness of international bankers to continue rolling over Iraqi short-term debt is much more crucial.

There was some discussion about how Iran could inflict a defeat on Iraq that would cause a collapse of the regime. For example, if Iran could neutralize Iraq's superiority in air power and adequately defend Kharg Island, it could then use its one advantage on the battlefield--its superiority in manpower--to try to launch another large offensive. At a minimum, Iran would still need to neutralize Iraq's overwhelming superiority in armored forces. Given Iraq's unwillingness to really commit its air force to attacking Iran and Baghdad's extreme reluctance to lose aircraft, Iran's acquisition of a relatively few air defense weapons such as the SA-2s may well deter the Iraqi air force.

Warning Notes

Iran has acquired a few SA-2 systems from Libya and we will need to monitor further Iranian efforts to acquire more SAM systems. Kharg Island remains vulnerable to Iraqi air attacks, and Iran has few promising options to retaliate if it were hit badly. A significant drop in oil prices in the next few months will have a major impact on both Iran's and Iraq's economy and the ability of both to pursue the war.

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20 September 1985

MEMORANDUM FOR: Director of Central Intelligence
Deputy Director of Central Intelligence

SUBJECT: Warning Meeting Report for Near East and South Asia

NIC/NIO/NESA: 20 Sept 85

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1 - Doug Menarchik, Office of VP

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SECRET

SECRET

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The following components attended the NIO/NESA September Warning Meeting:

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DIA/DE-4
DIO
DIA/JSI-3B
Army ACSI
NSA/G9
NSA/G-609
NSC
ONI
NAVOPINTCEN
Army ITAC/AIAIT-AF
Army ITAC/AIAIT-SRD
Marines

Internal

DDI/CRES/RSG
O/NIC/W
OCR/A/NE
DI/NESA/SO/P
FBIS/NEAD/SA
FBIS/AG
NPIC/PEG
OGI/GD
OGI/TAB
OGI/FSIC/PI
OGI/GD/ERA
SOVA/TWA
NIO/AF
ICS/HC

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The Director of Central Intelligence
Washington, D.C. 20505

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National Intelligence Council

NIC 05352/1-85
25 October 1985

MEMORANDUM FOR: See Distribution

FROM:

[redacted]
Assistant National Intelligence Officer for NESAs

25X1

SUBJECT: Warning and Forecast Report for Near East and South Asia

1. Attached is my report to the DCI based on our meeting held 24 October 1985. If there are any significant amendments or additions you wish to make, please let me know.

2. Next month's warning meeting will be held on 14 November 1985 at 1015 in room 7E62, CIA Headquarters. Please have your clearances passed and call [redacted] with names of the attendees by noon 13 November 1985.

25X1

3. I also encourage you to phone in suggestions for the agenda and proposals to make opening presentations. It would be helpful to have your comments for the next meeting by Monday, 4 November 1985.

Attachment

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The Director of Central Intelligence
Washington, D.C. 20505

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National Intelligence Council

NIC 05352-85
25 October 1985

MEMORANDUM FOR: Director of Central Intelligence
Deputy Director of Central Intelligence

VIA: National Intelligence Officer for Warning

FROM: [REDACTED]
Assistant National Intelligence Officer for NESA

SUBJECT: Warning and Forecast Report for Near East and South Asia

25X1

In a lively session, the NIO/NESA warning meeting discussed the fallout and implications--for the region and for the US--of recent developments in the Middle East such as the Achille Lauro hijacking, Israel's raid on the PLO Headquarters in Tunis, and whether there are still any prospects for the peace process.

NIO/NESA led off by positing two alternative views of October's developments. In the more widely shared view, the Arab-Israeli conflict is threatening to turn into an Arab-US conflict; the peace process has been severely--if not fatally--wounded; and, America's allies in the region--moderate Arab regimes like those in Tunisia and Egypt--have been weakened and alienated from the US. A more optimistic view holds that by finally asserting itself against terrorism, the US has broken a psychological barrier that stretches back to occupation of our Embassy in Tehran; reasserting US willingness to act to defend its interests in the region will force Middle Eastern and West European regimes to pay more attention to US interests; moderate Arab regimes are mad at Arafat for bringing them into conflict with Israel (in the case of Tunisia) or the US (in Egypt's case); and the limiting of Arafat's options may push him further toward pursuing the peace process option.

A key question for the next few months is how the PLO, and its Chairman Yassir Arafat, will react to recent events. Arafat is caught between wanting to maintain the PLO presence in Jordan--and thus having to make noises that he is still interested in the peace process--and PLO hardliners who advocate targetting US as well as Israeli interests. Fatah, Arafat's organizational base of support in the PLO, is

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increasingly hardline, and Arafat will have to listen to Fatah leaders if he is to keep his own position. Many analysts believe that, in fact, Arafat has largely become only a figurehead leader of a PLO that is increasingly splintered. He remains, however, an important symbol of the Palestinian movement for diaspora Palestinians.

There was broad agreement that, no matter how much Arafat and the PLO may be weakened at the moment or in disrepute with moderate Arab regimes (much less Israel and the US), there can be no meaningful peace process without the PLO. There was general agreement that while King Hussein may try to bluff Arafat that he would accept Peres' invitation to negotiate without the PLO, the Jordanian King is highly unlikely to do so, knowing that it would be tantamount to signing his own death warrant. Hussein does not have the independent power base or freedom of movement to make the unilateral moves toward peace that Sadat did.

In reality, the prospects for any successful outcome of the peace process may be nil, but too many parties--moderate Arabs, Arafat, the US, and Israel--have an interest in maintaining at least the illusion of a peace process, so the hopeful talk is likely to continue. But behind the talk, there are signs of potentially major realignments in Arab politics, including:

- A Jordanian-Syrian rapprochement, as Hussein concludes that the peace process is dead and that he should mend his fences with Damascus.
- A possible move of PLO headquarters to Iraq, along with disturbing signs that Baghdad may be easing its ban on allowing terrorists to operate from Iraq.
- The apparent splintering of the PLO and the diminution of Arafat's more moderate influence in Palestinian councils may result in a new wave of Palestinian terrorism aimed at non-Israeli targets as well as Israel. Should further terrorist incidents occur that result in US military operations against Palestinians (as opposed to Shia in Lebanon), the mainstream PLO as well as more radical fringe groups are likely to target US interests for terrorist attacks.

Warning Notes

The Community agreed that Middle Eastern politics are entering a period of unusual fluidity, and that the dynamics of developments in the region make it difficult to foresee all the possible consequences of recent developments.

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Since Israel's invasion of Lebanon in 1982, the US has become ever more closely identified with Israel in Arab perceptions, and initial US praise for the Israeli raid on Tunisia and the denouement of the Achille Lauro incident reinforce that perception. Most analysts believe the US is therefore increasingly likely to become a target for Palestinian terrorism, with or without Arafat's sanction of such activities.

Further Palestinian terrorist attacks against Israel--especially a foreign-based terrorist "spectacular" that caused large civilian casualties--are likely to provoke Israeli retaliatory strikes like that on Tunisia. Such Israeli attacks against Algeria (from whence some intercepted Palestinian seaborne attacks have been launched) or Iraq (if the PLO sets up headquarters there) would greatly complicate the US position in the Arab world as well as with the country involved. There would be almost no downside risk for Israel in such an attack. The Peres government would also retaliate against Jordan if sufficiently provoked, but would hesitate a bit more to do so because of the likely US reaction and because it would completely end chances for a peace settlement with King Hussein.

Future US military action against Middle Eastern terrorists will always have its downside risks, although the potential costs are greater in actions against Palestinians--with whom all Arabs feel at least some sympathy--than if the US struck back at Lebanese Shias. The Achille Lauro incident has permanently affected--but certainly was not fatal to--the US relationship with Mubarak. Many aspects of the bilateral relationship appear to be getting back on course, but US-Egyptian military cooperation is likely to suffer some lasting damage. Egypt will continue joint military cooperation when it directly serves Egyptian interests, but is less likely to go along with CENTCOM or other cooperation designed for distant contingencies in places like the Persian Gulf.

Closer Iraqi-PLO ties could prove troublesome for the US, especially if Baghdad relaxes its ban on terrorism launched from Iraq. An Iraqi reassertion of leadership in Arab politics is likely to involve sharper criticism of US policies in the region, and further evidence of an Iraqi reinvolvement with terrorism would be likely to have major implications for US policy toward the Iran-Iraq war and Gulf security.

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25 October 1985

MEMORANDUM FOR: Director of Central Intelligence
Deputy Director of Central Intelligence

SUBJECT: Warning Meeting Report for Near East and South Asia

NIC/NIO/NESA:

25 Oct 85

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SECRET [redacted]
The Director of Central Intelligence
Washington, D.C. 20505

25X1

National Intelligence Council

NIC 05749/1-85
18 November 1985

MEMORANDUM FOR: See Distribution

FROM: [redacted]

Acting National Intelligence Officer for NESA

25X1
|

SUBJECT: Warning and Forecast Report for Near East and South Asia

1. Attached is my report to the DCI based on our meeting held 14 November 1985. If there are any significant amendments or additions you wish to make, please let me know.

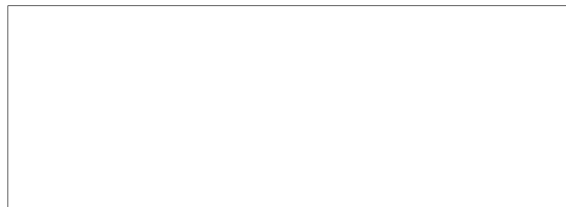
2. Next month's warning meeting will be held on 19 December 1985 at 1015 in room 7E62, CIA Headquarters. Please have your clearances passed and call [redacted] with names of the attendees by noon 18 December 1985.

25X1

3. I also encourage you to phone in suggestions for the agenda and proposals to make opening presentations. It would be helpful to have your comments for the next meeting by Monday, 2 December 1985.

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Attachment



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The Director of Central Intelligence
Washington, D.C. 20505

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National Intelligence Council

NIC 05749-85
18 November 1985

MEMORANDUM FOR: Director of Central Intelligence
Deputy Director of Central Intelligence

-VIA: National Intelligence Officer for Warning

FROM: [REDACTED]
Acting National Intelligence Officer for NESA

25X1

SUBJECT: Warning and Forecast Report for Near East and South Asia

The NIO/NESA warning meeting addressed two topics: Tunisia
(presented by DIA) and Iraq (presented by CIA/NESA).

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Internally, all the long-term economic and social problems--
particularly labor unrest and chronic unemployment--previously catalogued
by the Intelligence Community remain, continuing to slowly fester and
worsen.

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Warning Notes

Tunisia faces long-term, low-level instability caused by economic and social problems, political uncertainties surrounding President Bourguiba's frail health and control of the government, and Libyan subversion.

US-Tunisian relations survived the fervor over the Israeli raid on the PLO Headquarters outside Tunis, but are likely to be seriously shaken by Tunisian disappointment over the outcome of the current Joint Military Committee meeting with the US. The Tunisians may have hoped to exploit US discomfort over the Israeli raid to press the US for significant new arms, and US unwillingness or inability to meet those expectations could now trigger a Tunisian reaction that will be compounded by lingering anger over the raid on the PLO facilities.

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2. Iraq. President Saddam Husayn appears to remain in firm control, but faces new wrinkles on old problems.

- The Kurdish problem in the north is worsening, raising the possibility of a two-front war for Baghdad.
- The Tehran-based underground Dawa Party may be rebuilding its strength inside Iraq; party members recently engaged in a brief firefight with Iraqi security forces.
- The Iraqi public's war-weariness with a seemingly endless war raises doubts about how Iraqi morale would hold up if Iranian forces even staged a breakthrough on the battlefield.

In foreign policy, a prime Iraqi goal remains to weaken Iran's warmaking ability, and signs of a possible rapprochement with Syria should be seen in this light. Iraq wants to undermine Syria and Libya--Tehran's main backers--by strengthening Jordan, Egypt, and the PLO's Arafat. Iraq is supporting Arafat to try to prevent the PLO's domination by Syria, and may well allow Arafat to relocate his headquarters to Baghdad. If this happens, Iraq is very likely to countenance PLO "armed struggle" within the occupied territories, but Baghdad will remain chary of supporting terrorism outside of Israel.

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Iraqi criticism of the US reflects genuine unhappiness with recent US statements and actions in the region, as well as a desire to bolster ties with Egypt and Arafat. Baghdad may calculate that the US will have to live with some criticism, because we have few other options and would not risk a possible Iranian victory by undercutting the Iraqi regime.

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18 November 1985

MEMORANDUM FOR: Director of Central Intelligence
Deputy Director of Central Intelligence

SUBJECT: Warning Meeting Report for Near East and South Asia

NIC/A/NIO/NESA:

18 Nov 85

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1 - ADDI

1 - SA/IA

1 - C/IPC Staff

1 - C/NIC

1 - VC/NIC

2 - NIO/NESA

5 - NIO/W

1 - Each NIO

1 - Each Office Director

1 - SRP

1 - NIC/AG

1 -

1 -

1 - C/OCR/NEA

1 - OGI/TNAD/TAB

1 - OGI/FSIC/PI

1 - NESA/AI/D

1 - NESA/PG/D

1 - NESA/SO/D

1 - DDI/CRES/IRC/SEG

1 - DDI/Registry

1 - CPAS/ILS

1 -

1 -

1 -

1 -

1 -

1 - OSWR/PPC

1 - SOVA/TWA/RP

1 - NPIC/IEG/NESAD

1 - NPIC/PEG

1 - State/INR/NESA

1 - State/INR/IC/RD

1 - DIO/MESA

1 - DIA/DB-8C

1 - DIA/JSI

1 - DIA/DE-4

1 - DIA/DC-4A

1 - DIA/DB-2C2

1 - DIA/JSI-5A

1 - DIA/JSI-5B

1 - DIA/JSI-3B

1 - DIA/JSI-2C

1 - OJCS MEAF Div.

1 - NSA/G-609

1 - ACSI DAMI FII

1 - ONI Estimates Br.

1 - AF/INER

1 - AF/INEGL

1 - HQS USMC CODE INTP

1 - Jock Covey, NSC/ME

1 - Cmdr. James Stark, NSC

1 - US Central Command, J-2,
I&W Center, MacDill AFB, Fla

1 - Doug Menarchik, Office of VP

1 - [redacted] DIC

1 - NWS, Room 1C925, Pentagon

1 - IAX/P/AM. ITAC, AHS

1 - [redacted]

2 - ICS/OHC/DIR

1 - DDI Rep/OLL

1 - [redacted]

1 - [redacted]

1 - DIA/AT-3

1 - DIA/AT-6

25X1

25X1

25X1

25X1

SECRET

The following components attended the NIO/NESA November Warning Meeting:

External

State/INR/NESA
DIA/DE-4
DIO
DIA/DB-8C
DIA/DC-4A
DIA/AT-6
Army ACSI
NSA/G-609
NSC
ONI
NAVOPINTCEN
Army DAMI-FII
Marines
AF/INEG

Internal

DDI/CRES/RSG
O/NIC/W
OCR/A/NE
DI/NESA/AI
DI/NESA/PG
DO/NE
FBIS/AG
NPIC/SWAB
OSWR/PPC
OGI/TAB
OGI/TNAD
OGI/FSIC/PI
SOVA/TWA

SECRET